

# Burden of Tobacco on Your Workplace

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Businesses are constantly looking for ways to cut costs and increase productivity. The health of your employees is the major factor in your bottom line. Tobacco use among Hoosiers is a burden for Indiana and your business. When employees smoke, they are not the only ones who pay. Increased medical costs, higher insurance rates, added maintenance expenses, lower productivity, and higher rates of absenteeism from smoking costs American businesses between \$97 and \$125 billion every year. Employers ranked smoking among their top three employee health priorities, along with high blood pressure and obesity. Eighty-two percent of employers said that they should take steps to help employees quit smoking<sup>1</sup>.

**The U.S. Office of Technology and Assessment reported that current smokers averaged almost three times as much sick leave as non-smokers, and significantly more sick leave than former smokers.**

## WHAT TOBACCO COSTS INDIANA EMPLOYERS

- ❖ Employees that smoke:
  - Visit healthcare professionals up to six times more often than non-smokers<sup>2</sup>
  - Are admitted to the hospital almost twice as often as non-smokers<sup>3</sup>
  - Average 1.4 additional days in the hospital per admission over non-smokers<sup>4</sup>
  - Had about two times more lost production time (LPT) per week than workers who never smoked, costly an estimated \$27 billion<sup>5</sup>
- ❖ For every pack of cigarettes sold in Indiana, Hoosiers spend \$7.57 in health care costs related to smoking<sup>6</sup>.

**Cigarette-caused fires are the #1 cause of fire death in U.S. Direct property loss due to fires in the U.S. was an estimated \$10.6 billion in 2001.**

**Economic costs of smoking are estimated to be about \$3,391 per smoker per year.**

—Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs — United States, 1995-1999, US Public Health Service, Centers for Disease Control and Prevention, Morbidity and Mortality Weekly, April 12, 2002 / 51(14);300-3

<sup>1</sup> National Business group on Health Survey released December 2006.

<sup>2</sup> Berman K. "Firms hope smoking bans will trim health costs". Business Insurance. October 12, 1987;21(41):16-17

<sup>3</sup> Halpern MT et al. "Impact of smoking status on workplace absenteeism and productivity". Tobacco Control 10(3): 233-38, September 2001.

<sup>4</sup> See footnote #2

<sup>5</sup> Stewart, WF et al. "Lost productivity work time costs from health conditions in the United States: Results from the American Productivity Audits". Journal of Occupational and Environmental Medicine. 45(12): 1234-46, December 2003

<sup>6</sup> Centers for Disease Control and Prevention. Sustaining State Funding for Tobacco Control: Data Highlights-2004

# Benefits of Smoke Free Workplaces

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Making your workplace smoke free will lower your business costs and produce a healthier workforce! Protect one of your most important assets - your employees' health. Eliminating tobacco use in the workplace projects a positive image to the public and demonstrates pride in your business and the products and services your company delivers. Offering smoking cessation benefits is the number one cost-effective benefit employers can provide<sup>7</sup>.

*For the health, safety and comfort of our clients, employees, volunteers and visitors, Opportunity Enterprises became a smoke-free environment in 1991. We took this step to enhance our workplace and improve the quality of life. Our leadership team remains a strong advocate for smoking cessation."*

**-Gary Mitchell, President/CEO  
Opportunity Enterprises, Inc.,  
Valparaiso, IN**

## Benefits of a smoke free workplace

- ❖ Improvement in employee and visitor health
- ❖ Lower absenteeism and increased productivity
- ❖ Employee support for non-smoking policies
- ❖ Reduced liability of claims
- ❖ Lower maintenance costs
- ❖ Lower insurance premiums

Health and fire insurance premiums can be 25% to 35% lower for smoke free businesses, and morbidity and fire statistics suggest that premium discounts should be as high as 70%<sup>8</sup>.

Costs for employee absences include temporary replacements and lowered productivity and morale among employees who are on the job dealing with the absences.

Smoking can cost employers an extra \$45 per year for accidental injury and related workers' compensation costs<sup>9</sup>.

Higher carbon monoxide levels, eye irritation, and lower attentiveness of smokers can cause an increase in inefficiency and errors.

Studies on workplaces have shown:

- ❖ Workers' compensation costs for a smoker averaged \$2,189 compared to only \$176 for a nonsmoker<sup>10</sup>.
- ❖ A study of 300 booking clerks at a large U.S. airline found that smokers are absent from work for sickness as many as 6.16 days per year on average, compared with 3.86 days for those employees who never smoke<sup>11</sup>.

<sup>7</sup> Centers for Disease Control and Prevention (CDC) Coverage for Tobacco Use Cessation Treatments.

<sup>8</sup> Weis WL. Associate Professor of Business Administration, Albert School of Business, Seattle University

<sup>9</sup> Kristein MM. American Health Foundation. "How much can business expect to profit from smoking cessation?" Preventive Medicine 1983; 12:358-381.

<sup>10</sup> Musich S, Napier D, Edington DW. "The association of health risks with workers' compensation costs". Journal of Occupational and Environmental Medicine. 43(6): 534-41, June 2001

<sup>11</sup> See footnote #2.